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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
SEARS HOLDINGS CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 18-23538 (RDD)
	)	
Reorganized Debtors.	)	(Jointly Administered)
_____	)	

**DECLARATION OF ROBERT CELL**

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

ROBERT CELL, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I submit this Declaration in support of the *Limited Objection to the Global Asset Sale Transaction and Statement of Continued Interest in Purchase of Sears Home Improvement Business* [Docket No. 2130] by Service.com, Inc. ("Service.com"). The information in this declaration is based on my personal knowledge, unless otherwise indicated.

2. I am a member of Mad Dog Technology, LLC ("MadDog") and have served on the Board of Directors of Service.com since 2017. MadDog is a Michigan-based venture operator and investor focused on creating and operating cloud-based business applications that disrupt existing industry models and help monetize underutilized information. MadDog's services include direct support for application development, sales, finance, marketing, and administration.

3. MadDog, with its affiliate, is the majority shareholder of Service.com.

4. At least four times since September 2017, Service.com, Sears Holdings Corporation ("SHC") and its debtor affiliates (collectively, the "Debtors"), and ESL Investments, Inc., including its agents, Edward Lampert and Kunal Kumlani (collectively, "ESL"), whether purporting to act on behalf of SHC or in association with the Debtors, were in discussions regarding the sale of the Sears Home Improvement business ("SHIP" or the "SHIP Business") to Service.com. I personally have been involved in those discussions.

5. Each of the four proposed sale and purchase transactions fell apart, the first three times due at least in part to ESL's actions.

6. Specifically, in September 2017, Service.com and MadDog submitted a bid to acquire the SHIP Business with Platinum Equity, LLC ("Platinum Equity") for a price of \$190 million. During discussions, ESL insisted that it be permitted to fund the subordinated debt

thereby making it the fulcrum creditor, effectively maintaining control over the SHIP Business. Platinum Equity walked away from the transaction shortly thereafter.

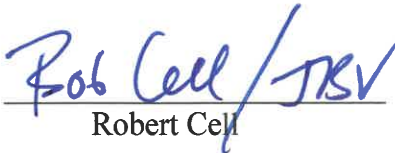
7. In January 2018, Service.com and Presidio Investors LLC ("Presidio") proposed forming a SHIP-centric joint venture with SHC in which SHC would be the minority shareholder. This time, the proposed valuation of the SHIP Business was \$135 million. This transaction failed when ESL insisted on a valuation of \$160 million, which I knew to be unjustified. I later learned that ESL had obtained different sources of financing for SHC.

8. In April 2018, Presidio, as the proposed majority equity holder aligned with Service.com, extended yet another offer for the SHIP Business, this time in the amount of \$125 million. Once again, ESL interfered: ESL submitted a letter offer to acquire the SHIP Business, Kenmore, and PartsDirect. It is my understanding that ESL and Presidio, as its financial partner, executed an NDA in connection with this proposed transaction. At or about the time of the announcement, Presidio stopped working with Service.com.

9. In July 2018, Service.com submitted another bid, this time for \$82 million (\$72 million in cash and a \$10 million seller's note). Once again, ESL interfered by submitting a substantially similar bid for the SHIP Business in August 2018.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on February 1, 2019.

  
Robert Cell